

**GAS PROXY GROUP
Capital Asset Pricing Model Analysis
Historic Market Premium**

	<u>Arithmetic Mean</u>	<u>Adjusted Arithmetic Mean</u>
CAPM with Current 30-Year Treasury Yield		
Long-Term Annual Return on Stocks	12.20%	
Long-Term Annual Income Return on Long-Term Treas. Bonds	<u>4.90%</u>	
Historical Market Risk Premium	7.30%	6.00%
Proxy Group Beta, Value Line	<u>0.90</u>	<u>0.90</u>
Beta * Market Premium	6.57%	5.40%
Current 30-Year Treasury Bond Yield	<u>2.16%</u>	<u>2.16%</u>
CAPM Cost of Equity, Value Line Beta	<u>8.73%</u>	<u>7.56%</u>
CAPM with D&P Normalized Risk-Free Rate		
Historical Market Risk Premium	7.30%	6.00%
Proxy Group Beta, Value Line	0.90	0.90
Beta * Market Premium	6.57%	5.40%
D&P Normalized Risk-Free Rate	2.50%	2.50%
CAPM Cost of Equity, Normalized Risk-Free Rate	<u>9.07%</u>	<u>7.90%</u>

Source: Duff and Phelps Cost of Capital Navigator: U.S. Cost of Capital Module
*Summary Statistics of Annual Total Returns, Income Returns, and
Capital Appreciation Returns of Basic U.S. Asset Classes; Exhibit 3.6
1926 - 2020*